

4190-29P

SOCIAL SECURITY ADMINISTRATION

Federal Old-Age, Survivors, and Disability Insurance (**Program
Announcement No. SSA-ORES-98-2**)

AGENCY: Social Security Administration

ACTION: Announcement of the Availability of Fiscal Year 1998
Funds for Section 1110 Research Grants.

SUMMARY: The Social Security Administration (SSA) announces that competing applications will be accepted for new research grants authorized under section 1110 of the Social Security Act. This announcement, consisting of three parts, describes the nature of the grant activities and gives notice of the anticipated availability of fiscal year (FY) 1998 funds in support of the proposed activities. Part I discusses the purpose of the announcement and briefly describes the application process. Part II describes the programmatic priorities under which SSA is soliciting applications for funding. Part III describes the application process and provides guidance on how to submit an application.

DATES: The closing date for the receipt of grant applications in response to this announcement is **July 14, 1998**.

FOR FURTHER INFORMATION CONTACT: For information on the application or for an application kit: Mr. E. Joe Smith, Grants Management Officer; Office of Operations Contracts and Grants; Office of Acquisition and Grants; Social Security Administration;

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1-E-4 Gwynn Oak Building; 1710 Gwynn Oak Avenue; Baltimore,
Maryland 21207-5279; telephone (410) 965-9503. Mr. Smith's
e-mail address is: joe.smith@ssa.gov.

For information on the program content of the announcement:
Ms. Eleanor Cooper, Coordinator for Extramural Research; Office
of Research, Evaluation and Statistics; Social Security
Administration; 4-C-15 Operations; 6401 Security Boulevard;
Baltimore, Maryland 21235; telephone (410) 966-9824.
Ms. Cooper's e-mail address is: eleanor.l.cooper@ssa.gov.

SUPPLEMENTARY INFORMATION

PART I. PURPOSE AND THE GRANTS PROCESS

A. Program Purpose

This research is intended to add to existing knowledge about components of economic security and about the changing economic status of the aged or disabled, with emphasis on Social Security beneficiaries. Policymakers and social scientists are potential users of the results.

There is much discussion of Social Security reform and the future shape of the program, which provides economic security for the aged, survivors and those who are disabled. We are interested in focusing our efforts on the major ideas being put

forth to help inform the Social Security reform discussion.

Information will be needed both before and after consensus is reached on potential reforms. There is no specific plan contemplated at this time, so information is needed about the many broad reforms being discussed.

In general, SSA will fund a select number of projects in the following areas:

1. Research on issues pertaining to major changes in the structure of Social Security.
2. Research which develops models and other analyses that aid in understanding the likely behavioral consequences of increasing the retirement age.
3. Research on Social Security/Private Pension Integration which will explore how pension integration affects the economic status of retirees.
4. Research that uses data from the Luxembourg Income Study to assess the relative effectiveness of different social insurance systems in combating poverty among elderly women.
5. Research on economic and demographic assumptions that will affect the future financial status of the Social

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Security Old Age, Survivors and Disability Insurance
(OASDI) programs.

B. FY 1998 Grant Process

The grant application process for FY 1998 will consist of a one-stage, full application. Applications are limited to 20 single- or 40 double-spaced pages (excluding resumes, forms, etc.) and must relate to the selection criteria established for review of applications.

Some priority areas in this announcement permit applicants to propose research efforts from 12 to 24 months in duration. In item 11 of the Face Sheet (page 1 of form SSA-96-BK) indicate the priority area under which the application is submitted; i.e., ORES-98-001, ORES-98-002, etc.

PART II. PRIORITY RESEARCH AREAS AND EVALUATION CRITERIA

In general, grant proposals must be based on well-developed rigorous analysis, including at a minimum the elements specified in the evaluation criteria in Part II.B. below.

In particular, the following priority project areas will be considered for funding:

1. Issues Pertaining to Major Changes in the Structure of Social Security--ORES-98-001

The 1994-96 Advisory Council on Social Security was appointed to examine the long-term financing problems facing the Social Security system and to propose possible solutions for putting the system on firm financial footing. As part of this effort, the Council considered many different options designed to restore the long-term fiscal integrity of the program, including options which would lead to a partial privatization of Social Security. In order to respond with better information to the increasing call for Social Security reform, we propose a program of small grants which would foster research regarding Social Security reform.

Research proposals in any of the following general areas are sought: (1) research into the possible macroeconomic impacts of investing a significant portion of the Social Security trust fund in private equities; (2) research into the possible macroeconomic effects of a full or partial privatization of Social Security; (3) research concerning

potential impacts on financial markets, rates of return, and/or capital formation of either partial investment of Social Security trust fund monies in private securities or of the full or partial conversion of the Social Security program into one of individualized accounts; (4) analysis of the financial and economic risks faced by individuals in a privatized Social Security system; (5) analysis to determine whether or not private insurance markets could, or would, provide equivalent retirement, survivors and disability insurance to that provided by the current Social Security program, as well as investigating the likely cost to individuals of such insurance; (6) research on the possible effects that major changes in the structure of Social Security might have on individuals' saving behavior, national savings, and/or the unified budget; and (7) research into other topics of interest and importance associated with the debate surrounding reform proposals.

Applications may be submitted for multi-year funding not to exceed either 12 months or 24 months in duration. It should be noted that, for grants of 24 months duration, an interim report of research findings will be required at the end of the initial 12-month period. It is particularly important for the agency to receive grant results within the first year on the implications of retirement policy assessments, such as individual accounts, retirement age, other structural changes, etc. It is anticipated that up to

\$400,000 will be allocated to fund one or more projects under this priority area for the initial 12-month budget period. Applications for multi-year funding should include a budget for the first budget period (not to exceed 12 months). If the application is approved, a grant will be awarded for the initial 12-month budget period. Funding will subsequently be provided for up to an additional 12-month budget period dependent on satisfactory performance of the initial budget period, continued relevance of the project, and the availability of FY funds.

2. Retirement Age Changes--ORES-98-002

Social Security's normal retirement age (NRA) is scheduled to rise gradually to 67 by 2027. Concern about the Old Age Survivors Insurance program's long-term financial balance has prompted consideration of additional changes in Social Security's retirement ages. Among the possibilities discussed are: (a) an accelerated rise in the NRA; (b) increasing the NRA beyond age 67; (c) indexing the NRA to reflect changes in life expectancy; (d) increasing Social Security's early retirement age (ERA); or (e) some combination of (a)-(d).

Policy questions of this type have been explored by researchers in the past, and the estimated effects of some of these policy changes on work and retirement patterns are

available. The existing estimates were, for the most part, generated using econometric models based on the somewhat dated Retirement History Study data. With the availability of successive waves of new data from the Health and Retirement Survey (HRS) to support new research, as well as other databases that measure the labor force activity of older workers, we seek to fund the development of new retirement models and other analyses.

SSA is primarily interested in research proposals that develop models and other analyses that aid in understanding the likely behavioral consequences of increasing the retirement age. This research should examine the effects of Social Security's retirement ages on the timing of retirement within the context of a framework that jointly addresses the influence of other known factors such as pensions, assets, earnings opportunities, and health. Acceptable proposals might also consider one or more of the following issues: How will the timing of first-receipt of Social Security benefits by persons aged 62 and older change? What will be the effects of raising the retirement age on women? To what extent would this type of policy change affect the mix of part-time and full-time employment desired by older workers? Are "bridge jobs" likely to become more or less important? How will the labor supply response of older workers vary by gender, age, occupation, health status, and ethnicity? Do other Social Security

program features significantly deter work among the elderly, thereby offsetting (at least to some extent) the increased work that a higher retirement age is likely to promote?

It is anticipated that up to \$400,000 will be allocated to fund one or more projects for up to 12 months under this priority area. Preliminary results are to be submitted 6 months after the grant is awarded.

3. Social Security/Private Pension Integration--ORES-98-003

Many employer-provided pension plans contain rules that coordinate pension benefits with Social Security benefits that the retired worker receives. These pension plans are said to be integrated with Social Security. SSA seeks research proposals that explore how pension integration affects the economic status of retirees.

SSA is interested in projects which explore the economics of and rationale for the existence of private pension plan integration provisions. They should document the prevalence of integrated plans and identify any trends and their causes (e.g., to what extent has the shift from defined benefit to defined contribution plans had an impact on the numbers of workers with integrated plans?). The projects should examine the effects of pension integration on the post-

Fully developed proposals might also outline research that addresses one or more of the following issues: What factors are associated with the occurrence of integration provisions in private pension plans? For example, is plan integration associated with employer characteristics, the level of workers' total compensation, the mix of employer-employee contributions, or the generosity of the pension plan? How would changes in basic OASDI program features, such as the Early and Normal Retirement Ages, or in major changes in the structure of the OASDI program, such as individual accounts, likely affect the prevalence and form of integrated pension plans and retirement income? We will entertain proposals for other research projects that contribute to our understanding of how pension plan integration affects the economic well-being of Social Security beneficiaries.

It is anticipated that up to \$100,000 will be allocated to fund a project for up to 12 months under this priority area.

4. Poverty Among Older Women Cross-Nationally--ORES-98-004

Although in recent decades many Western industrialized nations have undergone demographic, labor market, and social changes akin to those in the United States, poverty rates among older women continue to differ. Older women in the

United States, particularly those who are unmarried, fare comparatively worse economically than their counterparts in other industrialized nations. The Luxembourg Income Study is a unique source of information on the economic circumstances of individuals in more than twenty countries.

For many of the countries, data are available for multiple years. We seek to fund research that uses these data to assess the relative effectiveness of different social insurance systems in combating poverty among elderly women.

The project should include not only a description and comparison of the economic status of elderly women in the chosen countries but also an analysis of its correlates (e.g., marital status, sources and amounts of each type of income). Particular attention should be paid to the institutional structure of each country's social insurance program as it pertains to women (e.g., spousal benefits, widow's and divorced spouse benefits, compensations for interruptions in a woman's work history for child-rearing and caregiving) as well as the extent to which the program is integrated with private sources of retirement income. To isolate the effects of public policies on older women's poverty, consideration of multiple years of data in select countries may be warranted.

It is anticipated that up to \$100,000 will be allocated to fund a project for up to 12 months under this priority area.

5. Economic and Demographic Assumptions Recommended for
Study by Past Advisory Councils--ORES-98-005

The past two Advisory Councils on Social Security (as well as other Councils before them) recognized the need to conduct research regarding the assumptions and methods used to project the future financial status of the OASDI programs, including measures of the financial soundness of these programs. In addition to examining the economic and demographic assumptions behind these forecasts, the 1994 Advisory Council on Social Security highlighted the need for research into the feasibility of using stochastic simulation modeling for forecasting future economic and demographic trends. In order to respond to these needs, we propose a program of small grants designed to foster original research in these areas.

Research proposals in the following areas are being sought:

- (1) research into the determinants and projection of productivity and earnings;
- (2) research into the effects of changes in the number of hours worked and in fringe benefits on the linkages between productivity and covered earnings;
- (3) research into the interrelationship of interest rates, productivity, wages, and other economic variables, with some focus on the role of the global economy;
- (4) research into the use of stochastic simulation models to forecast future economic and demographic trends;
- (5) research concerning the

ultimate rates of mortality decline at all ages as well as investigation of various methods of projecting such rates; and (6) research concerning the impact of the age composition of the population (cohort effects) on labor force participation (particularly female labor force participation), fertility, marriage and divorce with the intention of improving our long-range projections of these variables.

Applications may be submitted for multi-year funding not to exceed 24 months in duration. It is anticipated that up to \$200,000 will be allocated to fund one or more projects under this priority area for the initial 12-month budget period. Applications for multi-year funding should include a budget for the first budget period (not to exceed 12 months). If the application is approved, a grant will be awarded for the initial 12-month budget period. Funding will subsequently be provided for up to an additional 12-month budget period dependent on satisfactory performance of the initial budget period, continued relevance of the project, and the availability of FY funds.

NOTE: TO FOSTER THE SHARING OF RESEARCH, PRINCIPAL INVESTIGATORS FOR EACH GRANT AWARDED WILL BE REQUIRED TO (1) INCLUDE IN THE FINAL REPORT AN EXECUTIVE SUMMARY WHICH SSA COULD PUBLISH IN THE QUARTERLY SOCIAL SECURITY BULLETIN AND (2) DISCUSS THE RESULTS OF THEIR RESEARCH WITH SSA STAFF. FUNDS SHOULD BE INCLUDED IN THE

GRANT BUDGET FOR A MEETING AT THE SSA OFFICE OF RESEARCH,
EVALUATION AND STATISTICS, WASHINGTON, D.C.

B. Evaluation Criteria

Applications which pass the screening process will be reviewed by at least three individuals. Reviewers will score the applications, basing their scoring decisions on the criteria shown below. An unacceptable rating on any individual criterion may render the application unacceptable. Consequently, applicants should take care to ensure that all criteria are fully addressed in the application. Relative weights for the criteria are shown in parentheses.

(1) Project Objective: (25 points)

How closely do the project objectives fit those of the announcement? Is the need for the project discussed in terms of the importance of the issues to be addressed? Does it describe how the project builds upon previous research? What is the potential usefulness of the anticipated result and expected benefits to the target groups? What is the potential usefulness of the proposed project for the advancement of scientific knowledge?

(2) Project Design: (30 points)

Is the design of the project adequate and feasible as indicated by the appropriateness of the work statement and the technical approach, including: (a) a concise and clear statement of goals and objectives; (b) theoretical analysis of the problem and, if appropriate, hypotheses to be tested and/or parameters to be estimated; (c) specification of data sources; (d) plan for data analysis, including appropriateness of statistical methods to be used; and (e) scheduling of tasks and milestones in the progress of the project? Does the proposal describe specific plans for conducting the project in terms of the tasks to be performed, and how the approach will accomplish the project objectives?

(3) Qualifications: (30 points)

Do the qualifications of the project personnel, as evidenced by training, experience, and publications, demonstrate that they have the knowledge of subject matter and skills required to competently carry out the research and to produce a final report that is comprehensible and usable? Is the staffing pattern appropriate for the proposed research, linking responsibilities clearly to project tasks?

(4) Organization and Budget: (15 points)

Are the resources needed to conduct the project specified, including personnel, time, funds, and facilities? Are any collaborative efforts with other organizations clearly identified and written assurances referenced? Is all budget information provided including a description by category (personnel, travel, etc.) of the total of the Federal funds required, and written assurances referenced? Where appropriate, are justifications and explanations of costs provided? Are the project's costs reasonable in view of the level of effort and anticipated outcome? Does the applicant's organization have adequate facilities and resources to plan, conduct, and complete the project?

A. Eligible Applicants

Any State or local government, public or private organization, nonprofit or for-profit organization, hospital, or educational institution may apply for a grant under this announcement. Applications will not be accepted from applicants which do not meet the above eligibility criteria at the time of submission of applications.

Individuals are not eligible to apply. For-profit organizations may apply with the understanding that no grant funds may be paid as profit to any grant recipient. Profit is considered as any amount in excess of the allowable costs of the grant recipient. A for-profit organization is a corporation or other legal entity which is organized or operated for the profit or benefit of its shareholders or other owners and must be distinguishable or legally separable from that of an individual acting on his/her own behalf.

In accordance with section 18 of the Lobbying Disclosure Act of 1995, 2 U.S.C. 1611, organizations described in section 501(c)(4) of the Internal Revenue Code of 1968 that engage in lobbying are not eligible to receive grant awards.

B. Availability and Duration of Funding

SSA anticipates allocating funds for each priority area as follows:

ORES-98-001, "Issues Pertaining to Major Changes in the Structure of Social Security"--up to \$400,000 to fund either the 12-month budget period or the initial 12-month budget period (depending on whether a grant is for 1 or 2 years) of one or more projects in this priority area.

ORES-98-002, "Retirement Age Changes"--up to \$400,000 to fund the 12-month budget period for one or more projects in this priority area.

ORES-98-003, "Social Security/Private Pension Integration"--up to \$100,000 to fund the 12-month budget period for a project in this priority area.

ORES-98-004, "Poverty Among Older Women Cross-Nationally"--up to \$100,000 to fund the 12-month budget period for a project in this priority area.

ORES-98-005, "Economic and Demographic Assumptions Recommended for Study by Past Advisory Councils"--up to \$200,000 to fund the initial 12-month budget period of one or more projects in this priority area.

Grant recipients receiving assistance to conduct these research projects are expected to contribute a minimum of 5 percent towards the total cost of the project (cash or in-kind). No grant will be awarded that covers 100 percent of the project's costs.

D. The Application Process for Proposals Requesting Grant Funds

Organizations wishing to compete for grants under this announcement must submit an application by **July 14, 1998**. Applications received in response to this announcement will be reviewed by Federal and non-Federal personnel.

Successful applicants may expect funding during the fourth quarter of FY 1998 (prior to September 30, 1998).

1. Availability of Application Forms

Application kits which contain the prescribed application forms for grant funds are available from the Grants Management Team; Office of Operations Contracts and Grants; Office of Acquisition and Grants; Social Security Administration; 1-E-4 Gwynn Oak Building; 1710 Gwynn Oak Avenue; Baltimore, Maryland

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21207-5279; Mr. E. Joe Smith, Grants Management

Officer; telephone (410) 965-9503 (e-mail address:

joe.smith@ssa.gov) or Mr. David S. Allshouse, telephone

(410) 965-9262 (e-mail address:dave.allshouse@ssa.gov).

When requesting an application kit, the applicant should refer to program announcement number SSA-ORES-98-2 and the date of this announcement to ensure receipt of the proper application kit.

2. Additional Information

For additional information concerning project development, please contact Ms. Eleanor Cooper, Coordinator for Extramural Research; Office of Research, Evaluation and Statistics; Social Security Administration; 4-C-15 Operations; 6401 Security Boulevard, Baltimore, Maryland 21235; telephone (410) 966-9824. Ms. Cooper's e-mail address is: eleanor.l.cooper@ssa.gov.

3. Application Submission

All applications requesting Federal grant funds must be submitted on the standard forms provided by the Grants Management Team. The application shall be executed by an individual authorized to act for the applicant organization and to assume for the applicant organization the obligations imposed by the terms and conditions of the grant award.

As part of the project title (page 1 of the application form SSA-96-BK, item 11), the applicant must clearly indicate that the application submitted is in response to this announcement (SSA-ORES-98-2) and must show the appropriate priority area project identifier (i.e., ORES-98-001, -002, -003, -004, or -005).

Applications must be submitted to the Grants Management Team at the address specified in number 7, below.

4. Application Consideration

Applications are initially screened for relevance to this announcement. If judged irrelevant, the applications are returned to the applicants.

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Applications that conform to the requirements of this program announcement will be reviewed and evaluated against the evaluation criteria specified in this announcement and evaluated by Federal and non-Federal personnel. The results of this evaluation will assist SSA in selecting the applications to be funded.

5. Application Approval

Grant awards will be issued within the limits of Federal funds available following the approval of the applications selected for funding. The official award document is the "Notice of Grant Award." It will provide the amount of funds awarded, the purpose of the award, the budget period for which support is given, the total project period for which support is contemplated, the amount of grantee financial participation, and any special terms and conditions of the grant award.

6. Screening Requirements

In order for an application to be in conformance, it must meet all of the following requirements:

(a) Number of Copies: An original signed and dated application plus at least two copies must be submitted.

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Five additional copies are optional and will expedite processing of the grant application.

(b) Length: The narrative portion of the application (Part III of form SSA-96-BK) must not exceed 20 single- or 40 double-spaced pages, exclusive of resumes, forms, etc., typewritten on one side only using standard size (8 1/2" x 11") paper. Applications should neither be unduly elaborative nor contain voluminous documentation.

7. Closing Date for Receipt of Applications

The closing date for receipt of grant applications for Federal funds in response to this announcement is **July 14, 1998**.

Applications may be mailed or sent by commercial carrier or personally delivered to: Grants Management Team; Office of Operations Contracts and Grants; Office of Acquisition and Grants; Social Security Administration; ATTN: SSA-ORES-98-2; 1-E-4 Gwynn Oak Building; 1710 Gwynn Oak Avenue; Baltimore, Maryland 21207-5279.

Hand-delivered applications are accepted during the

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hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

An application will be considered as meeting the deadline if it is either:

(a) Received on or before the deadline date at the above address; or

(b) Mailed through the U.S. Postal Service or sent by commercial carrier on or before the deadline date and received in time to be considered during the competitive review and evaluation process.

Applicants are cautioned to request a legibly dated U.S. Postal Service postmark or to obtain a legibly dated receipt from a commercial carrier as evidence of timely mailing. Private metered postmarks are not acceptable as proof of timely mailing.

Applications which do not meet the above criteria are considered late applications. SSA will notify each late applicant that its application will not be considered.

NOTE: FACSIMILE COPIES WILL NOT BE ACCEPTED.

Paperwork Reduction Act

This notice contains reporting requirements in the "Application Process" section. However, the information is collected using form SSA-96-BK, Federal Assistance, which has Office of Management and Budget clearance No. 0960-0184.

Executive Orders 12372 and 12416--Intergovernmental Review of Federal Programs

This program is not covered by the requirements of Executive Order 12372, as amended by Executive Order 12416, relating to Federal agencies providing opportunities for consultation with State and local elected officials on proposed Federal financial assistance or direct Federal development.

(Catalog of Federal Domestic Assistance: Program No. 96.007, Social Security-Research and Demonstration)

Dated:

Kenneth S. Apfel
Commissioner of Social Security